



NC Construction Spending and Labor Outlook

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Presented by Betsy Bailey,
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Quality People.
Quality Projects.

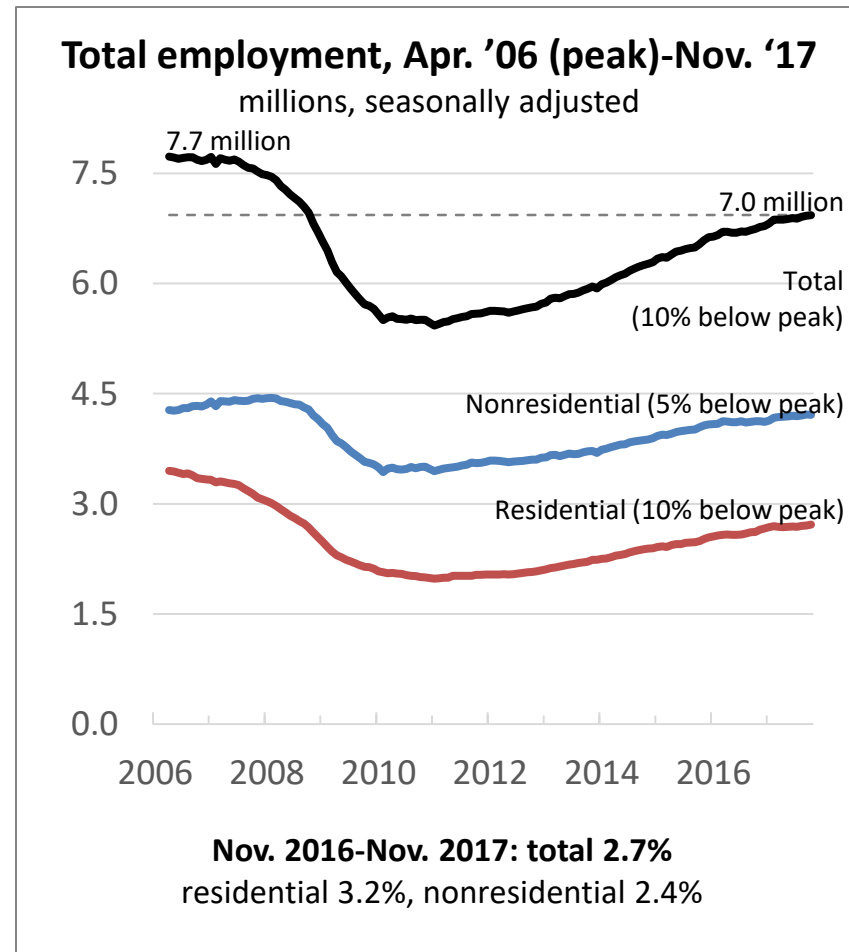
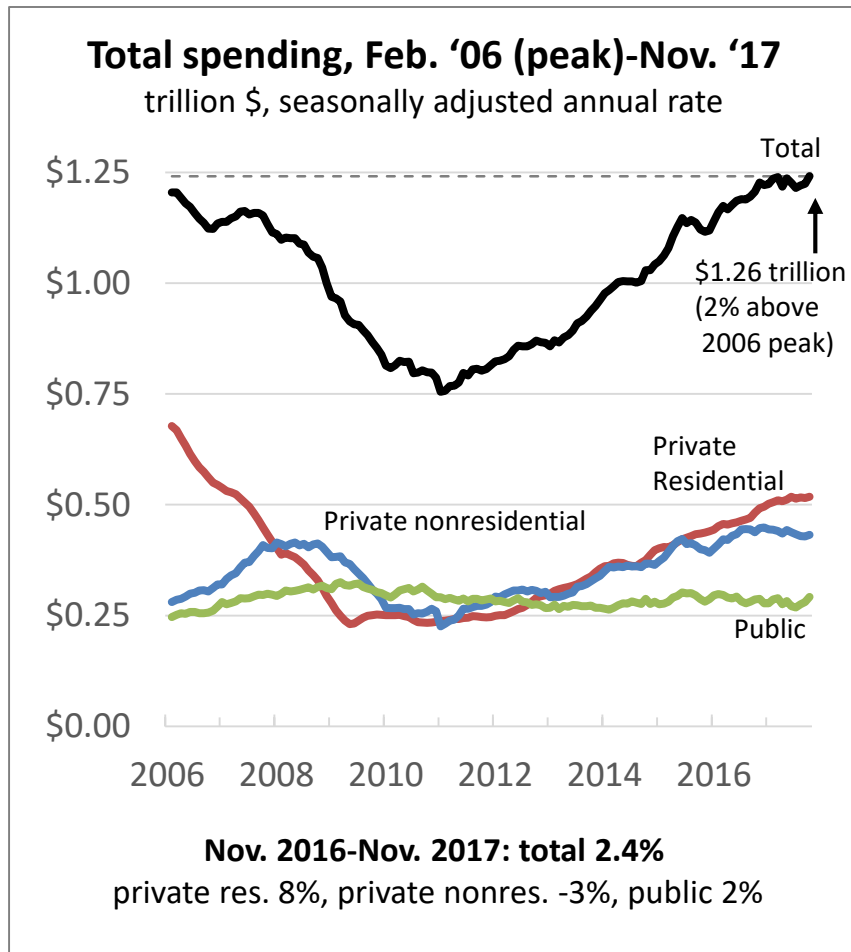
Contractors are Optimistic About All Market Segments

75% of contractors expect to expand their payrolls in 2018

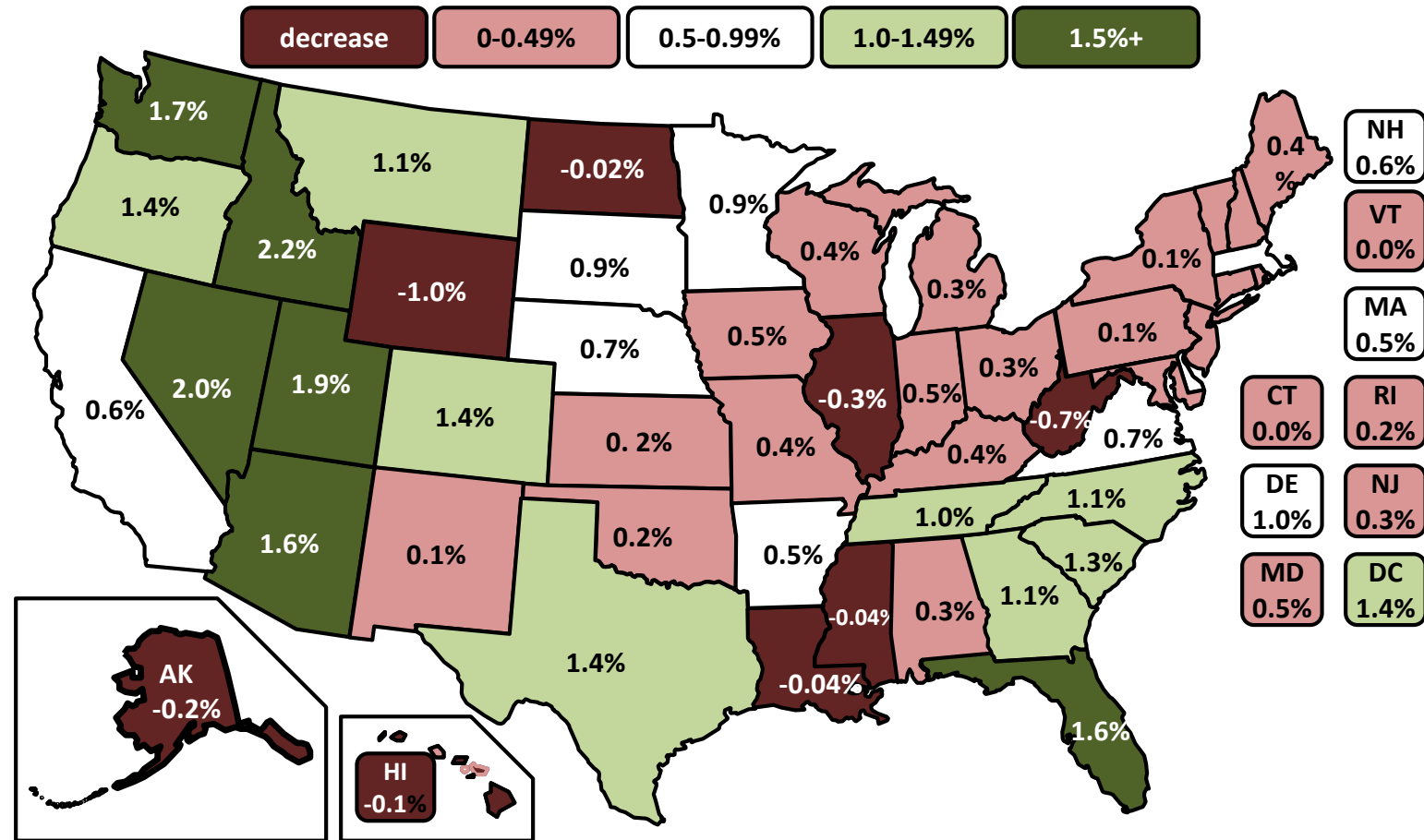
However...

**Many firms are worried about workforce shortages and
infrastructure funding**

Construction spending & employment, 2006-2017



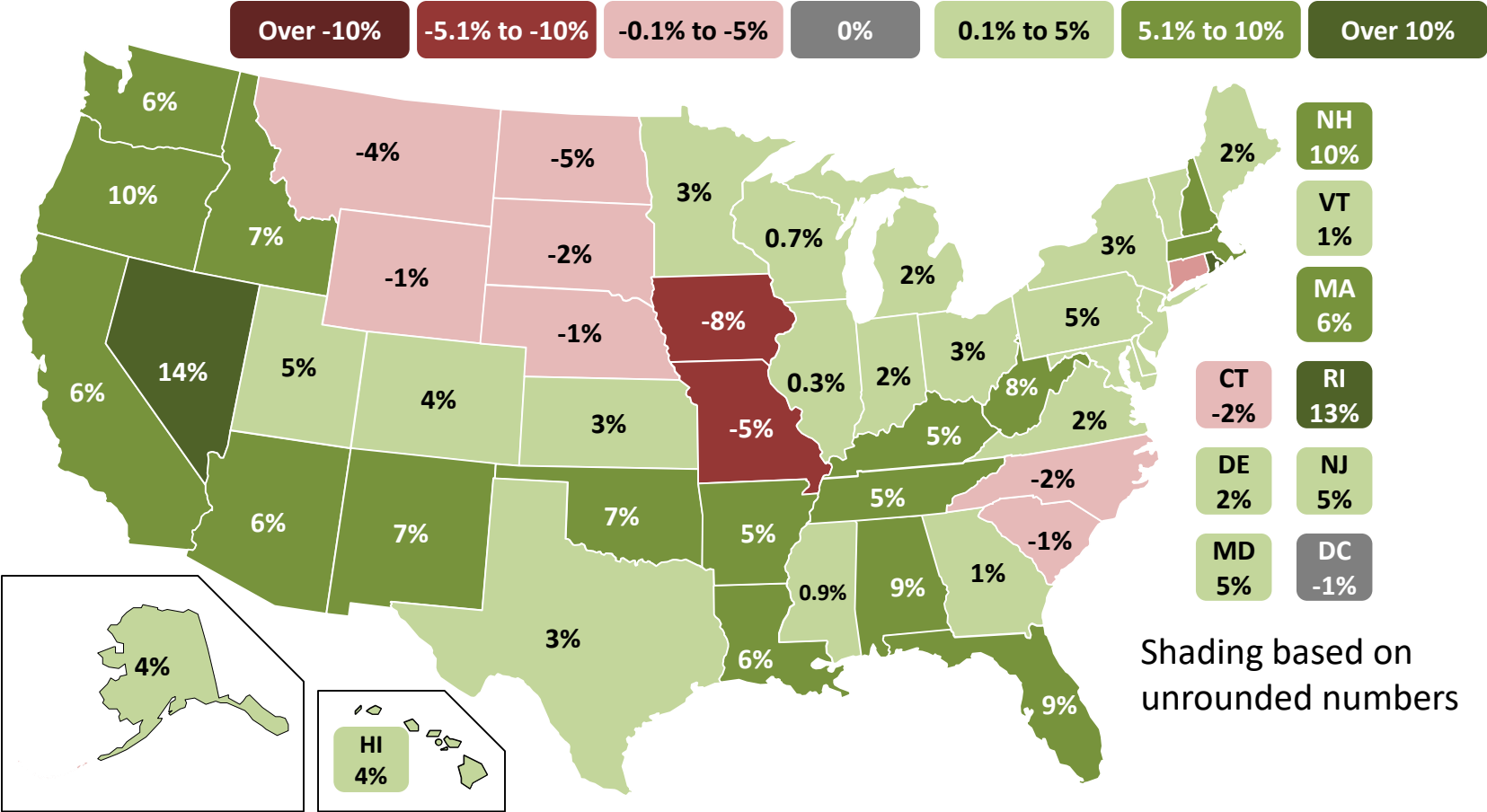
Population change by state, July 2016-July 2017 (U.S.: 0.72%)



Source: U.S. Census Bureau

State construction employment change (U.S.: 2.7%)

11/16 to 11/17: 40 states up, 9 down, DC unchanged



Source: BLS state and regional employment report



FIRMS WILL CONTINUE TO COPE WITH WORKER SHORTAGES

How would you describe your firm’s current conditions for filling key salaried positions (project manager/supervisor, estimator, etc.) and hourly craft positions (carpenter, laborer, equipment operator, etc.)? My firm is:

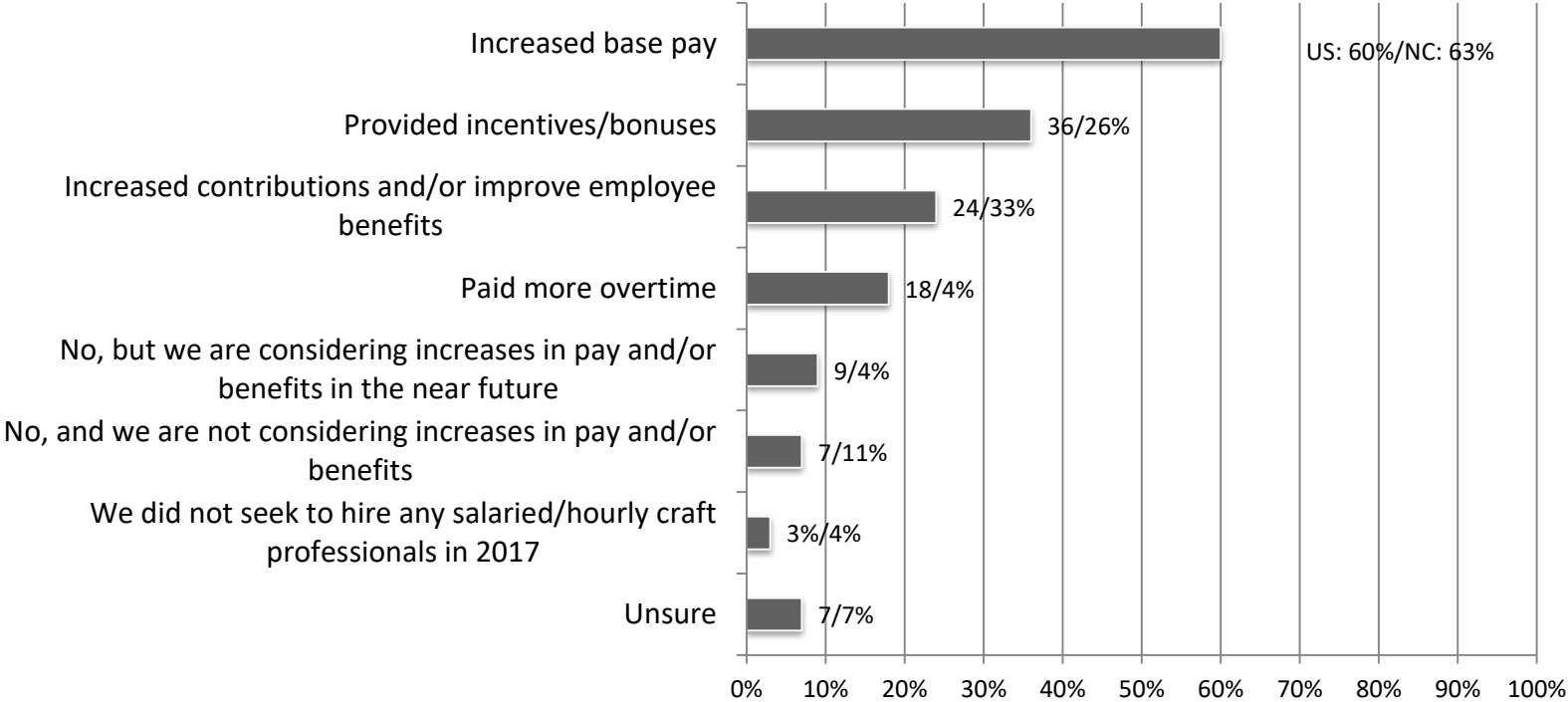


Source: AGC Construction Outlook Survey, January 2018. Total responses: 1,046. NC: 30



MOST FIRMS ARE INCREASING PAY OR BENEFITS...

Did your firm increase pay or benefits in 2017 to retain or recruit salaried/hourly craft professionals?



Source: AGC Construction Outlook Survey, January 2018.. Total responses: 1,046; NC: 30



In NC we are having a hard time filling some:

- hourly craft positions: 70% U.S. respondents/93% of NC respondents
- Salaried field positions: 57% U.S. respondents/78% of NC respondents

CAGC Independent Survey of Eleven Highway Contractors Found:

- 490+ Jobs Available Now
- Expectations that workforce needs will increase between 10-20 percent in the next two years

NC Highway Construction Jobs Hardest to Fill:

Hourly:

- Carpenters (bridge, finish)
- Masons
- Pipe layers and foremen
- Fine Grade Foreman
- Concrete Forming
- General Laborers
- Skilled equipment Operators – crane, grader, trucks, scrapers, rollers,

Salaried:

- Superintendents
- Project Managers
- Estimators
- Administrators/Office Personnel

In North Carolina the situation is even more Acute More Results from Our Surveys:

How would you rate the adequacy of the local pipeline for supplying well-trained craft personnel?

Poor or fair: US 74% of respondents/NC 91%

Have you increased your use of OT during the past year because of difficulty hiring

Overtime hours: US 47%/NC 70%

Barriers to Employment in Highway Construction:

Ability to Pass a Drug Test

Reliable Transportation

Commitment to Work Ethic

NC's Construction Workforce

Construction workforce shortage is No. 1 Challenge Facing NC Contractors:

- Project delays and wage increases = higher project costs
- Safety is compromised
- Uncertainty over immigration policy is challenging the industry
- Competition with other industries for skilled labor

NC's Construction Workforce

How Did We Get Here:

- Recession
- Lack of robust vocational educational programs in high school
- Students and their families favor a 4-year degree
- Aging workforce

Construction Has an Image Problem!

NC's Construction Workforce

What's Being Done:

- CAGC's Build Your Career Program
- Partnership NC Community Colleges on several initiatives
- NC Works Apprenticeship programs
- NCCCS and CAGC Construction Branding Campaign
- Workforce Partners creating Construction Career Pathways

NC's Construction Workforce

Other Exciting Recruitment Programs in the works:

- Summer camps (free for underrepresented populations)
- Teacher externships
- Transition Tech military programs
- Construction Career 101 in middle and high schools
- Parent Career Fairs
- Expansion of Work Based Training
- You Science Aptitude test for High School

CAGC is Partnering with NCDOT to Address Workforce

- CAGC/NCDOT Joint Committee meets regularly
- NCDOT/Office of Civil Rights
 - Career Fairs
 - Construction Academies
- Construction Industry Branding Campaign

CAGC Partnering with NCDOT to Address Workforce

NCDOT/CAGC/ACEC Joint Winter Conferences:

3 conferences by regions

Topics focused on:

- Earlier project communication and planning of operations.
- Overcoming lack of experience
- Timely decisions
- Elevating decisions so issues are resolved quickly

Contact:

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